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Vishay Reports Results for Second Quarter 2022

- Revenues Q2 of \$864 million.
- Gross margin Q2 of 30.3%; adjusted gross margin of 31.0%
- Operating margin Q2 of 17.5%; adjusted operating margin of 18.3%.
- EPS Q2 of \$0.78; adjusted EPS of \$0.82.
- Free Cash for the trailing 12 months of \$139 million.
- Total Stockholder Return Q2 of \$40.6 million--\$14.3 million of dividend payments and \$26.3 million of stock repurchases.
- Guidance Q3 2022 for revenues of \$860 to \$900 million and at a gross margin of 29.0% plus/minus 50 basis points at an exchange rate USD/EUR of 0.98.

MALVERN, Pa., Aug. 02, 2022 (GLOBE NEWSWIRE) -- Vishay Intertechnology, Inc. (NYSE: VSH), one of the world's largest manufacturers of discrete semiconductors and passive components, today announced its results for the fiscal quarter and six fiscal months ended July 2, 2022.

Revenues for the fiscal quarter ended July 2, 2022 were \$863.5 million, compared to \$853.8 million for the fiscal quarter ended April 2, 2022, and \$819.1 million for the fiscal quarter ended July 3, 2021. Net earnings attributable to Vishay stockholders for the fiscal quarter ended July 2, 2022 were \$112.4 million, or \$0.78 per diluted share, compared to \$103.6 million, or \$0.71 per diluted share for the fiscal quarter ended April 2, 2022, and \$93.2 million, or \$0.64 per diluted share for the fiscal quarter ended July 3, 2021.

As summarized on the attached reconciliation schedule, certain periods presented include items affecting comparability. Adjusted earnings per diluted share, which exclude these unusual items, were \$0.82, \$0.71, and \$0.61 for the fiscal quarters ended July 2, 2022, April 2, 2022, and July 3, 2021, respectively.

Commenting on results for the second quarter 2022, Dr. Gerald Paul, President and Chief Executive Officer stated, "Despite a stronger US dollar and prolonged COVID related shutdowns in Shanghai, revenues came in at the high end of our guidance. Margins were positively impacted by a temporary inventory build, which we anticipate normalizing in the second half of the year. Turns of the inventory of our products at distribution were at a good level of 3.6."

Commenting on the outlook Dr. Paul stated, "We guide for the third quarter 2022 for revenues in the range of \$860 to \$900 million at a gross margin of 29.0% plus/minus 50 basis points, assuming an exchange rate of the US dollar to the Euro of 0.98."

A conference call to discuss Vishay's second quarter financial results is scheduled for Tuesday, August 2, 2022 at 9:00 a.m. ET. The dial-in number for the conference call is 877-407-0989 (+1 201-389-0921, if calling from outside the United States) and the access code is 13730764.

A live audio webcast of the conference call and a PDF copy of the press release and the quarterly presentation will be accessible directly from the Investor Relations section of the Vishay website at <http://ir.vishay.com>.

There will be a replay of the conference call from 12:00 p.m. ET on Tuesday, August 2, 2022 through 11:59 p.m. ET on Tuesday, August 16, 2022. The telephone number for the replay is +1 877-660-6853 (+1 201-612-7415, if calling from outside the United States or Canada) and the access code is 13730764.

About Vishay

Vishay manufactures one of the world's largest portfolios of discrete semiconductors and passive electronic components that are essential to innovative designs in the automotive, industrial, computing, consumer, telecommunications, military, aerospace, and medical markets. Serving customers worldwide, Vishay is The DNA of tech.™ Vishay Intertechnology, Inc. is a Fortune 1,000 Company listed on the NYSE (VSH). More on Vishay at www.Vishay.com.

This press release includes certain financial measures which are not recognized in accordance with U.S. generally accepted accounting principles ("GAAP"), including adjusted net earnings; adjusted earnings per share; adjusted gross margin; adjusted operating margin; free cash; earnings before interest, taxes, depreciation and amortization ("EBITDA"); adjusted EBITDA; and adjusted EBITDA margin; which are considered "non-GAAP financial measures" under the U.S. Securities and Exchange Commission rules. These non-GAAP measures supplement our GAAP measures of performance or liquidity and should not be viewed as an alternative to GAAP measures of performance or liquidity. Non-GAAP measures such as adjusted net earnings, adjusted earnings per share, adjusted gross margin, adjusted operating margin, free cash, EBITDA, adjusted EBITDA, and adjusted EBITDA margin do not have uniform definitions. These measures, as calculated by Vishay, may not be comparable to similarly titled measures used by other companies. Management believes that such measures are meaningful to investors because they provide insight with respect to intrinsic operating results of the Company. Although the terms "free cash" and "EBITDA" are not defined in GAAP, the measures are derived using various line items measured in accordance with GAAP. Reconciling items to arrive at adjusted net earnings represent significant charges or credits that are important to understanding the Company's intrinsic operations. Reconciling items to calculate adjusted gross margin, adjusted operating margin and adjusted EBITDA represent those same items used in computing adjusted net earnings, as relevant. Furthermore, the presented calculation of adjusted EBITDA is substantially similar to, but not identical to, a measure used in the calculation of financial ratios required for covenant compliance under Vishay's revolving credit facility. These reconciling items are indicated on the accompanying reconciliation schedules and are more fully described in the Company's financial statements presented in its annual report on Form 10-K and its quarterly reports presented on Forms 10-Q.

Statements contained herein that relate to the Company's future performance, including forecasted revenues, margins, product pricing, product demand, anticipated areas of growth, market segment performance, capital expenditures, and the performance of the economy in general, are forward-looking statements within the safe harbor provisions of Private Securities Litigation Reform Act of 1995. Words such as "guide," "will," "expect," "anticipate," or other similar words or expressions often identify forward-looking statements. Such statements are based on current expectations only, and are subject to certain risks, uncertainties and assumptions, many of which are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results, performance, or achievements may vary materially from those anticipated, estimated or projected. Among the factors that could cause actual results to materially differ include: general business and economic conditions; manufacturing or supply chain interruptions or changes in customer demand because of COVID-19 or otherwise; delays or difficulties in implementing our cost reduction strategies; delays or difficulties in expanding our manufacturing capacities; an inability to attract and retain highly qualified personnel; changes in foreign currency exchange rates; uncertainty related to the effects of changes in foreign currency exchange rates; competition and technological changes in our industries; difficulties in new product development; difficulties in identifying suitable acquisition candidates, consummating a transaction on terms which we consider acceptable, and integration and performance of acquired businesses; changes in U.S. and foreign trade regulations and tariffs, and uncertainty regarding the same; changes in applicable domestic and foreign tax regulations, and uncertainty regarding the same; changes in applicable accounting standards and other factors affecting our operations that are set forth in our filings with the Securities and Exchange Commission, including our annual reports on Form 10-K and our quarterly reports on Form 10-Q. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The DNA of tech™ is a trademark of Vishay Intertechnology.

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VISHAY INTERTECHNOLOGY, INC.

Summary of Operations

(Unaudited - In thousands, except per share amounts)

| | Fiscal quarters ended | | |
|--|-----------------------|-------------------|------------------|
| | July 2, 2022 | April 2, 2022 | July 3, 2021 |
| Net revenues | \$ 863,512 | \$ 853,793 | \$ 819,120 |
| Costs of products sold* | 602,289 | 594,685 | 589,848 |
| Gross profit | 261,223 | 259,108 | 229,272 |
| Gross margin | 30.3% | 30.3% | 28.0% |
| Selling, general, and administrative expenses* | 110,400 | 112,855 | 103,900 |
| Operating income | 150,823 | 146,253 | 125,372 |
| Operating margin | 17.5% | 17.1% | 15.3% |
| Other income (expense): | | | |
| Interest expense | (4,307) | (4,222) | (4,443) |
| Other | 1,380 | (5,751) | (3,749) |
| Total other income (expense) - net | (2,927) | (9,973) | (8,192) |
| Income before taxes | 147,896 | 136,280 | 117,180 |
| Income tax expense | 35,127 | 32,330 | 23,799 |
| Net earnings | 112,769 | 103,950 | 93,381 |
| Less: net earnings attributable to noncontrolling interests | 381 | 377 | 189 |
| Net earnings attributable to Vishay stockholders | <u>\$ 112,388</u> | <u>\$ 103,573</u> | <u>\$ 93,192</u> |
| Basic earnings per share attributable to Vishay stockholders | \$ 0.78 | \$ 0.71 | \$ 0.64 |
| Diluted earnings per share attributable to Vishay stockholders | \$ 0.78 | \$ 0.71 | \$ 0.64 |
| Weighted average shares outstanding - basic | 143,996 | 145,053 | 145,017 |
| Weighted average shares outstanding - diluted | 144,397 | 145,553 | 145,445 |

| | | | | | | |
|--------------------------|----|-------|----|-------|----|-------|
| Cash dividends per share | \$ | 0.100 | \$ | 0.100 | \$ | 0.095 |
|--------------------------|----|-------|----|-------|----|-------|

* The fiscal quarter ended July 2, 2022 includes incremental costs of products sold and selling, general, and administrative expenses separable from normal operations directly attributable to the COVID-19 pandemic of \$6,661 and \$546, respectively.

VISHAY INTERTECHNOLOGY, INC.
Summary of Operations
(Unaudited - In thousands, except per share amounts)

| | Six fiscal months ended | |
|--|-------------------------|--------------|
| | July 2, 2022 | July 3, 2021 |
| Net revenues | \$ 1,717,305 | \$ 1,583,752 |
| Costs of products sold* | 1,196,974 | 1,151,531 |
| Gross profit | 520,331 | 432,221 |
| Gross margin | 30.3% | 27.3% |
| Selling, general, and administrative expenses* | 223,255 | 209,585 |
| Operating income | 297,076 | 222,636 |
| Operating margin | 17.3% | 14.1% |
| Other income (expense): | | |
| Interest expense | (8,529) | (8,819) |
| Other | (4,371) | (9,480) |
| Total other income (expense) - net | (12,900) | (18,299) |
| Income before taxes | 284,176 | 204,337 |
| Income tax expense | 67,457 | 39,313 |
| Net earnings | 216,719 | 165,024 |
| Less: net earnings attributable to noncontrolling interests | 758 | 397 |
| Net earnings attributable to Vishay stockholders | \$ 215,961 | \$ 164,627 |
| Basic earnings per share attributable to Vishay stockholders | \$ 1.49 | \$ 1.14 |
| Diluted earnings per share attributable to Vishay stockholders | \$ 1.49 | \$ 1.13 |
| Weighted average shares outstanding - basic | 144,527 | 144,992 |
| Weighted average shares outstanding - diluted | 144,978 | 145,453 |
| Cash dividends per share | \$ 0.20 | \$ 0.19 |

* The six fiscal months ended July 2, 2022 includes incremental costs of products sold and selling, general, and administrative expenses separable from normal operations directly attributable to the COVID-19 pandemic of \$6,661 and \$546, respectively.

VISHAY INTERTECHNOLOGY, INC.
Consolidated Condensed Balance Sheets
(In thousands)

| | July 2, 2022 | December 31, 2021 |
|---------------------------|--------------|-------------------|
| | (Unaudited) | |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 765,593 | \$ 774,108 |
| Short-term investments | 81,112 | 146,743 |
| Accounts receivable, net | 429,778 | 396,458 |
| Inventories: | | |

| | | |
|---|---------------------|---------------------|
| Finished goods | 172,796 | 147,293 |
| Work in process | 264,123 | 226,496 |
| Raw materials | 196,929 | 162,711 |
| Total inventories | <u>633,848</u> | <u>536,500</u> |
| Prepaid expenses and other current assets | 160,089 | 156,689 |
| Total current assets | <u>2,070,420</u> | <u>2,010,498</u> |
| Property and equipment, at cost: | | |
| Land | 73,047 | 74,646 |
| Buildings and improvements | 629,015 | 639,879 |
| Machinery and equipment | 2,750,175 | 2,758,262 |
| Construction in progress | 147,345 | 145,828 |
| Allowance for depreciation | (2,629,014) | (2,639,136) |
| | <u>970,568</u> | <u>979,479</u> |
| Right of use assets | 111,881 | 117,635 |
| Deferred income taxes | 89,181 | 95,037 |
| Goodwill | 164,295 | 165,269 |
| Other intangible assets, net | 62,698 | 67,714 |
| Other assets | 94,550 | 107,625 |
| Total assets | <u>\$ 3,563,593</u> | <u>\$ 3,543,257</u> |

VISHAY INTERTECHNOLOGY, INC.
Consolidated Condensed Balance Sheets (continued)
(In thousands)

| | <u>July 2, 2022</u> (Unaudited) | <u>December 31, 2021</u> |
|--|------------------------------------|--------------------------|
| Liabilities and equity | | |
| Current liabilities: | | |
| Trade accounts payable | \$ 243,496 | \$ 254,049 |
| Payroll and related expenses | 160,415 | 162,694 |
| Lease liabilities | 22,734 | 23,392 |
| Other accrued expenses | 214,865 | 218,089 |
| Income taxes | 62,592 | 35,443 |
| Total current liabilities | <u>704,102</u> | <u>693,667</u> |
| Long-term debt less current portion | 463,302 | 455,666 |
| U.S. transition tax payable | 83,010 | 110,681 |
| Deferred income taxes | 49,542 | 69,003 |
| Long-term lease liabilities | 92,208 | 99,987 |
| Other liabilities | 88,554 | 95,861 |
| Accrued pension and other postretirement costs | 242,464 | 271,672 |
| Total liabilities | <u>1,723,182</u> | <u>1,796,537</u> |
| Equity: | | |
| Vishay stockholders' equity | | |
| Common stock | 13,291 | 13,271 |
| Class B convertible common stock | 1,210 | 1,210 |
| Capital in excess of par value | 1,350,620 | 1,347,830 |
| Retained earnings | 588,803 | 401,694 |
| Treasury stock (at cost) | (36,161) | - |
| Accumulated other comprehensive income (loss) | (80,344) | (20,252) |
| Total Vishay stockholders' equity | <u>1,837,419</u> | <u>1,743,753</u> |
| Noncontrolling interests | <u>2,992</u> | <u>2,967</u> |
| Total equity | <u>1,840,411</u> | <u>1,746,720</u> |
| Total liabilities and equity | <u>\$ 3,563,593</u> | <u>\$ 3,543,257</u> |

VISHAY INTERTECHNOLOGY, INC.
Consolidated Condensed Statements of Cash Flows
(Unaudited - In thousands)

| | Six fiscal months ended | |
|---|-------------------------|--------------|
| | July 2, 2022 | July 3, 2021 |
| Operating activities | | |
| Net earnings | \$ 216,719 | \$ 165,024 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 80,967 | 83,879 |
| (Gain) loss on disposal of property and equipment | (293) | (207) |
| Inventory write-offs for obsolescence | 10,777 | 9,550 |
| Deferred income taxes | 5,922 | 519 |
| Other | 6,733 | 5,758 |
| Change in U.S. transition tax liability | (14,757) | (14,757) |
| Change in repatriation tax liability | (25,201) | - |
| Changes in operating assets and liabilities | (172,555) | (74,983) |
| Net cash provided by operating activities | 108,312 | 174,783 |
| Investing activities | | |
| Purchase of property and equipment | (95,700) | (60,710) |
| Proceeds from sale of property and equipment | 377 | 234 |
| Purchase of short-term investments | (7,769) | (27,488) |
| Maturity of short-term investments | 66,763 | 53,679 |
| Other investing activities | (199) | 347 |
| Net cash used in investing activities | (36,528) | (33,938) |
| Financing activities | | |
| Repurchase of convertible debt instruments | - | (300) |
| Net proceeds (payments) on revolving credit lines | 6,000 | - |
| Dividends paid to common stockholders | (26,389) | (25,216) |
| Dividends paid to Class B common stockholders | (2,419) | (2,298) |
| Repurchase of common stock held in treasury | (36,161) | - |
| Distributions to noncontrolling interests | (733) | (800) |
| Cash withholding taxes paid when shares withheld for vested equity awards | (2,123) | (1,963) |
| Net cash used in financing activities | (61,825) | (30,577) |
| Effect of exchange rate changes on cash and cash equivalents | (18,474) | (3,383) |
| Net increase (decrease) in cash and cash equivalents | (8,515) | 106,885 |
| Cash and cash equivalents at beginning of period | 774,108 | 619,874 |
| Cash and cash equivalents at end of period | \$ 765,593 | \$ 726,759 |

VISHAY INTERTECHNOLOGY, INC.
Reconciliation of Adjusted Earnings Per Share
(Unaudited - In thousands, except per share amounts)

| | Fiscal quarters ended | | | Six fiscal months ended | |
|--|-----------------------|---------------|--------------|-------------------------|--------------|
| | July 2, 2022 | April 2, 2022 | July 3, 2021 | July 2, 2022 | July 3, 2021 |
| GAAP net earnings attributable to Vishay stockholders | \$ 112,388 | \$ 103,573 | \$ 93,192 | \$ 215,961 | \$ 164,627 |
| <u>Reconciling items affecting gross profit:</u> | | | | | |
| Impact of the COVID-19 pandemic | \$ 6,661 | \$ - | \$ - | \$ 6,661 | \$ - |
| <u>Other reconciling items affecting operating income:</u> | | | | | |
| Impact of the COVID-19 pandemic | \$ 546 | \$ - | \$ - | \$ 546 | \$ - |
| <u>Reconciling items affecting tax expense (benefit):</u> | | | | | |

| | | | | | | | | | | |
|--|----|-------------------|----|-------------------|----|------------------|----|-------------------|----|-------------------|
| Changes in tax laws and regulations | \$ | - | \$ | - | \$ | (3,881) | \$ | - | \$ | (8,276) |
| Tax effects of pre-tax items above | | (1,802) | | - | | - | | (1,802) | | - |
| Adjusted net earnings | | <u>\$ 117,793</u> | | <u>\$ 103,573</u> | | <u>\$ 89,311</u> | | <u>\$ 221,366</u> | | <u>\$ 156,351</u> |
| Adjusted weighted average diluted shares outstanding | | 144,397 | | 145,553 | | 145,445 | | 144,978 | | 145,453 |
| Adjusted earnings per diluted share | \$ | 0.82 | \$ | 0.71 | \$ | 0.61 | \$ | 1.53 | \$ | 1.07 |

VISHAY INTERTECHNOLOGY, INC.
Reconciliation of Free Cash
(Unaudited - In thousands)

| | Fiscal quarters ended | | | Six fiscal months ended | |
|--|-----------------------|-------------------|------------------|-------------------------|-------------------|
| | July 2, 2022 | April 2, 2022 | July 3, 2021 | July 2, 2022 | July 3, 2021 |
| Net cash provided by operating activities | \$ 74,727 | \$ 33,585 | \$ 117,461 | \$ 108,312 | \$ 174,783 |
| Proceeds from sale of property and equipment | 305 | 72 | 34 | 377 | 234 |
| Less: Capital expenditures | (59,791) | (35,909) | (32,183) | (95,700) | (60,710) |
| Free cash | <u>\$ 15,241</u> | <u>\$ (2,252)</u> | <u>\$ 85,312</u> | <u>\$ 12,989</u> | <u>\$ 114,307</u> |

VISHAY INTERTECHNOLOGY, INC.
Reconciliation of EBITDA and Adjusted EBITDA
(Unaudited - In thousands)

| | Fiscal quarters ended | | | Six fiscal months ended | |
|---|-----------------------|-------------------|-------------------|-------------------------|-------------------|
| | July 2, 2022 | April 2, 2022 | July 3, 2021 | July 2, 2022 | July 3, 2021 |
| GAAP net earnings attributable to Vishay stockholders | \$ 112,388 | \$ 103,573 | \$ 93,192 | \$ 215,961 | \$ 164,627 |
| Net earnings attributable to noncontrolling interests | 381 | 377 | 189 | 758 | 397 |
| Net earnings | \$ 112,769 | \$ 103,950 | \$ 93,381 | \$ 216,719 | \$ 165,024 |
| Interest expense | \$ 4,307 | \$ 4,222 | \$ 4,443 | \$ 8,529 | \$ 8,819 |
| Interest income | (789) | (560) | (325) | (1,349) | (612) |
| Income taxes | 35,127 | 32,330 | 23,799 | 67,457 | 39,313 |
| Depreciation and amortization | 40,317 | 40,650 | 41,733 | 80,967 | 83,879 |
| EBITDA | \$ 191,731 | \$ 180,592 | \$ 163,031 | \$ 372,323 | \$ 296,423 |
| <u>Reconciling items</u> | | | | | |
| Impact of the COVID-19 pandemic | \$ 7,207 | \$ - | \$ - | \$ 7,207 | \$ - |
| Adjusted EBITDA | <u>\$ 198,938</u> | <u>\$ 180,592</u> | <u>\$ 163,031</u> | <u>\$ 379,530</u> | <u>\$ 296,423</u> |
| Adjusted EBITDA margin** | 23.0% | 21.2% | 19.9% | 22.1% | 18.7% |

** Adjusted EBITDA as a percentage of net revenues